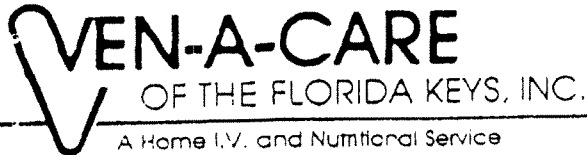


EXHIBIT 4



333 FLEMING ST.
KEY WEST, FLA 33040
(305) 292-1635
FAX: (305) 292-1739

FAX TRANSMITTAL SHEET

"PERSONAL AND CONFIDENTIAL"

TO: The Honorable Nancy - Ann Min De Parle
Administrator

AT: HCFA

FAX NO: 202-690-6262

FROM: Zachary Bentley & Mark Jones

FAX NO: 305-292-1739

DATE: 1/22/98 TIME: _____

RE: Letter to Congressman Stark w/ Enclosures
(Also enclosed are two examples of Iowa
Medicaid Pharmacy Program Not provided to
Congressman Stark)

PAGES TO FOLLOW INCLUDING COVER SHEET: 10

NOTE: FORWARD THIS FAX IMMEDIATELY TO THE ADDRESSEE. AS THE DOCUMENTS CONTAINED IN THIS FAX ARE PERSONAL AND CONFIDENTIAL!! IF YOU DO NOT RECEIVE THIS FAX IN ITS ENTIRETY, PLEASE CALL SALLY SMITH AT 305-292-1635.

2307263

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R2-041012

HP OfficeJet
Personal Printer/Fax/Copier

Fax Log Report for
Ven-A-Care
305 292 1739
Jan-22-98 03:50 PM

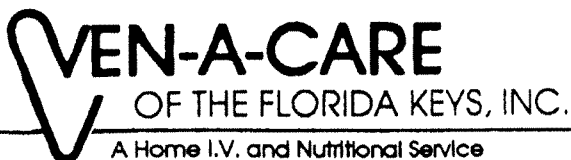
<u>Identification</u>	<u>Result</u>	<u>Pages</u>	<u>Type</u>	<u>Date</u>	<u>Time</u>	<u>Duration</u>	<u>Diagnostic</u>
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R2-041013



933 FLEMING ST.
KEY WEST, FLA 33040
(305) 292-1635
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SENSITIVE-DO NOT DISCLOSE

January 22, 1998

BY FAX:(202) 226-3805

The Honorable Fortney H. (Pete) Stark
Ranking Minority Member
Subcommittee on Health
Committee on Ways and Means
House of Representatives
239 Cannon Office Building
Washington, D.C. 20515

**RE: SUGGESTED COURSE OF ACTION FOR YOU TO ENCOURAGE
HCFA TO TAKE CONCERNING THE 22 DRUGS IDENTIFIED
IN THE OIG REPORT ENTITLED "EXCESSIVE MEDICARE PAYMENTS
FOR PRESCRIPTION DRUGS"(DEC. 1997, OEI-03-97-00290)**

Dear Congressman Stark:

As you may be aware, in September 1995 we met with representatives from the OIG and HCFA in Baltimore to discuss and present evidence of the fact that the Medicare and States' Medicaid Programs were unwittingly making excessive reimbursements for certain infusion, injectable and inhalation drugs. During that meeting, we were shocked by certain statements made by certain HCFA officials concerning their understanding that the term "AWP" had never been legislatively or administratively defined by the Federal Government.

2307265

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R2-041014

The Honorable Fortney H. (Pete) Stark
 January 22, 1998
 Page 2

We contacted an official at the Bureau of Labor Statistics, Department of Commerce whose branch of government also uses the words average wholesale price and the term AWP. When we asked if the Commerce Department had ever defined the words "average wholesale price" or the term "AWP", the official stated " Mr. Bentley, I don't mean to be rude but what is it exactly that you don't understand about the words *average, wholesale, and price* and/or the words average wholesale price put together as AWP? The Federal Government can't possibly legislatively define every word or phrase." We, like the Department of Commerce representative, believe that words appearing in regulations have their ordinary everyday meaning unless otherwise specifically defined by law.

We had hoped to meet personally with the HCFA administrator, Ms. Nancy-Ann Min DeParle, and make the following recommendation : Begin immediately to reimburse for the twenty two drugs in the OIG report by using the Actual Average Wholesale Price determined by the OIG. That decisive action would stop the going forward damages to the Medicare program which are approximately one billion dollars a year for the twenty two drugs. The OIG report found a 447 million dollars per year loss but the report did not include the losses for the drugs billed through hospital outpatient and the ESRD Program, which are processed by the Part A intermediaries but are a Part B benefit.* Part of HCFA's guidelines to the Medicare carriers states that the carriers may use the AWP as reported in such publications as Drug Topic's Red Book, First Data Bank's Blue Book, and Medispan to establish the region's AWP. The three sources mentioned are only recommendations and do not require or prohibit the carriers from utilizing other sources for AWP. Contained in Appendix B, page B-3 of the above referenced OIG report, is column #3 entitled, "Actual Average Wholesale Price" that was derived from the mean of the lowest wholesale price found, column #5 and the highest wholesale price, column #7 found by the OIG for the twenty two drugs. The OIG's AWP on the twenty two drugs reported is truthful and therefore is superior to the three referenced sources.

We have been informed that Ms. Min DeParle visited Miami, Florida this week and met with government representatives to discuss, in part, HCFA's role in combating health care fraud and abuse in South Florida. As I am sure you are aware, there are many, including Senator Tom Harkin, who believe that HCFA's prior actions concerning health care fraud and abuse were not acceptable. We understand that this visit was coordinated by Senator Bob Graham to assure the government officials in South Florida that HCFA under the leadership of Ms. Min DeParle would be supportive of those who are attempting to combat health care fraud and abuse.

* Enclosed are the front cover pages from May 30, 1996 and December 15, 1997 Blue Cross/Blue Shield of Florida's Medicare Part A ESRD bulletins. BC/BS of Florida is the intermediary who process Florida's Part B ESRD claims. As the bulletins indicate, providers are informed that Medicare's maximum allowable payments for drugs is AWP(May 30, 1996) and 95% of AWP (December 15, 1997).

2307266

933 Fleming Street

VEN-A-CARE of the Florida Keys, Inc.
 (305) 292-1635

Key West, Florida 33040

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R2-041015

The Honorable Fortney H. (Pete) Stark
January 22, 1998
Page 3

If the new HCFA Administrator is genuine about HCFA's support in combating health care fraud, abuse and waste then there should be no reason why the Medicare Program cannot immediately achieve approximately one billion dollars per year savings for the twenty-two most costly drugs in the Medicare Program identified in the OIG report.

Sincerely,



Zachary T. Bentley

T. Mark Jones

Enclosures, Appendix B-3 OIG report, Front Cover Pages ESRD bulletins
and HME news

cc: The Honorable Nancy-Ann Min DeParle
The Honorable June Gibbs Brown
Mr. Rob Vito, Regional Inspector General

2307267

933 Fleming Street

VEN-A-CARE of the Florida Keys, Inc.
(305) 292-1635

Key West, Florida 33040

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R2-041016

SUMMARY OF WHOLESALE PRICES AND ESTIMATED SAVINGS FOR 1996

HCP/CS Code	Average Medicare Allowed Amount	Actual Average Wholesale Price	Savings Based on Actual Average Wholesale Price	Lowest Wholesale Price Found	Savings Based on Lowest Wholesale Price	Highest Wholesale Price Found	Savings Based on Highest Wholesale Price
J9217	\$499.72	\$414.73	\$104,365,435	\$409.27	\$111,066,902	\$421.00	\$96,663,201
J7620	\$0.41	\$0.19	\$92,199,355	\$0.16	\$105,604,026	\$0.25	\$67,530,255
J9265	\$181.32	\$148.56	\$22,757,465	\$140.26	\$28,526,148	\$155.43	\$17,986,896
J9202	\$378.29	\$329.43	\$11,215,983	\$317.00	\$14,067,894	\$341.85	\$8,364,073
J0640	\$21.70	\$2.81	\$52,514,021	\$2.39	\$53,670,253	\$3.45	\$50,724,087
J9045	\$82.76	\$67.64	\$12,539,724	\$64.90	\$14,814,584	\$70.55	\$10,128,000
J1440	\$154.65	\$123.39	\$11,592,740	\$121.56	\$12,271,393	\$126.00	\$10,624,824
Q0136	\$11.93	\$10.37	\$10,399,198	\$9.31	\$17,440,772	\$10.70	\$8,195,663
J2405	\$6.08	\$4.28	\$14,319,348	\$3.92	\$17,172,050	\$4.73	\$10,776,959
J1625	\$170.02	\$125.71	\$13,399,842	\$122.90	\$14,250,690	\$128.00	\$12,708,277
J1561	\$42.21	\$16.65	\$24,808,622	\$12.50	\$28,833,317	\$34.00	\$7,967,739
J7670	\$1.23	\$0.41	\$9,935,367	\$0.32	\$10,965,079	\$0.51	\$8,658,040
J1441	\$246.34	\$196.76	\$8,470,488	\$191.99	\$9,285,542	\$202.25	\$7,532,512
J9182	\$137.57	\$70.91	\$13,362,365	\$37.06	\$20,147,028	\$112.57	\$5,011,200
J9000	\$44.19	\$13.65	\$12,480,751	\$10.87	\$13,616,851	\$17.95	\$10,723,475
J9031	\$157.53	\$133.13	\$2,682,097	\$112.00	\$5,004,749	\$148.95	\$943,131
J9181	\$14.14	\$8.02	\$5,909,155	\$3.71	\$10,077,601	\$11.26	\$2,784,899
J7672	\$1.23	\$0.44	\$4,805,175	\$0.32	\$5,492,908	\$0.55	\$4,117,563
J9293	\$172.81	\$142.40	\$2,712,650	\$139.91	\$2,935,141	\$145.38	\$2,447,586
J9185	\$179.45	\$156.50	\$2,049,320	\$152.00	\$2,451,148	\$161.00	\$1,647,493
J9010	\$207.12	\$65.46	\$10,513,722	\$54.00	\$11,364,260	\$76.00	\$9,731,464
J3370	\$9.44	\$4.42	\$4,213,709	\$3.45	\$5,027,227	\$6.45	\$2,509,417
TOTAL			\$447,246,532		\$514,085,563		\$357,776,754